

SENATE BILL REPORT

SB 5303

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, February 22, 2001

Title: An act relating to the definition of gainful employment for purposes of vocational rehabilitation under industrial insurance.

Brief Description: Providing a definition of gainful employment.

Sponsors: Senators Prentice, Winsley, Costa, Franklin, Roach, Kline, Kastama, Fairley, Patterson, Regala and Gardner.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 2/6/01, 2/22/01 [DPS, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 5303 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Fairley, Patterson, Rasmussen, Regala and Winsley.

Minority Report: Do not pass.

Signed by Senators Benton, Hochstatter, Honeyford and West.

Staff: Jack Brummel (786-7428)

Background: The state's workers' compensation law states that one of its primary purposes is to enable an injured worker to become employable at gainful employment. The Department of Labor and Industries has interpreted gainful employment— to mean employment which pays at least the minimum wage.

Summary of Substitute Bill: Gainful employment— means employment at wages, including benefits, of at least 70 percent of the wage earned by an injured worker at the time of injury, but no less than the minimum wage. This applies prospectively and only to determining eligibility for vocational rehabilitation services.

Substitute Bill Compared to Original Bill: The substitute contains an intent section, changes definition of gainful employment from 80 percent to 70 percent of pre-injury wage, and specifies prospective application.

Appropriation: None.

Fiscal Note: Requested on February 1, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: A worker capable of working at a minimum wage job cannot receive vocational services under current law. This shifts costs to the general fund. Washington has a low return to work rate and leads the nation in the number of pensions because we don't have decent vocational rehabilitation.

Testimony Against: The current system does not perform well. The bill just increases the use of vocational rehabilitation services; we need to better target the vocational benefits to those who really need them.

Testified: Robby Stern, WA State Labor Council (pro); Michael Temple, WA State Trial Lawyers (pro); Walter Burnett; Joe Schilling, PCIWC (pro); Clif Finch, AWB (con); Barbara Jones, Kelly Group (con); Thomas Wilson, Safety Indications Assn. (con); Loren Goodey (con).